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LONDON LIFE INSURANCE COMPANY / ANNUAL REPORT 1966







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## LONDON LIFE INSURANCE COMPANY

### *Directors*

JOSEPH JEFFERY, O.B.E., Q.C.—CHAIRMAN OF THE BOARD

ROBERT H. REID—PRESIDENT AND MANAGING DIRECTOR

ALEXANDER H. JEFFERY, Q.C.—FIRST VICE-PRESIDENT

JOHN B. CRONYN

W. BRADLEY GRANGER

CHARLES H. IVEY

ALLEN T. LAMBERT

ALEXANDER C. SPENCER, C.B.E.

J. ALLYN TAYLOR

### *Solicitors*

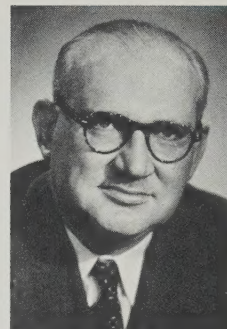
JEFFERY & JEFFERY

### *Auditors*

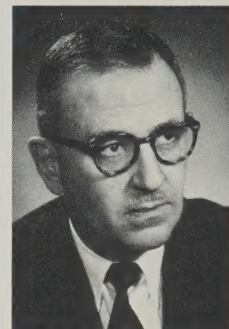
CLARKSON, GORDON & CO.



JOSEPH JEFFERY, O.B.E., Q.C.



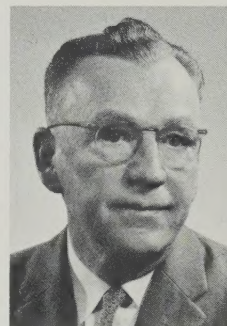
ROBERT H. REID



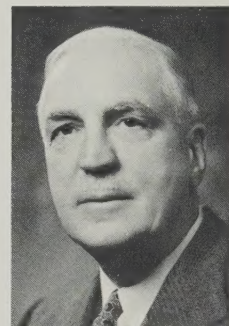
ALEXANDER H. JEFFERY, Q.C.



JOHN B. CRONYN



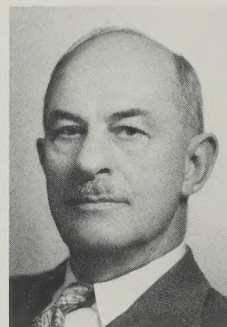
W. BRADLEY GRANGER



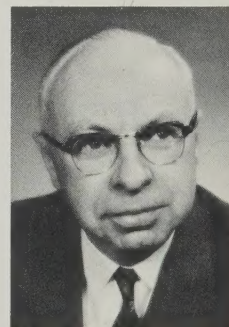
CHARLES H. IVEY



ALLEN T. LAMBERT



ALEXANDER C. SPENCER, C.B.E.



J. ALLYN TAYLOR

## DIRECTORS' REPORT

During 1966, the London Life experienced another excellent year in new business written, gain in the amount of life insurance in force and continued financial strength.

A record was established in the issue of individual policies. The 1966 figure of almost \$850 million was an increase of more than \$55 million from the previous peak recorded in 1965. Group life insurance was, however, down substantially for the year; this decrease had been anticipated since the 1965 total was unusually high due to a very large case.

The gain in life insurance in force was the second highest on record at over \$650 million, bringing the amount in force to almost \$8.7 billion at the year end.

The amount paid or set aside for future payments to policyowners, beneficiaries, people insured under health insurance plans and annuitants reached \$192.8 million.

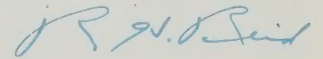
Total assets at the end of 1966 amounted to \$1,295,085,832, an increase of 7.4%. The net interest rate earned on the life branch invested assets rose for the 18th consecutive year, from 5.75% in 1965 to 5.93% in 1966.

The financial statement shows the continuing strong position of the Company. The investment reserve fund, and other reserve funds, were further strengthened. The addition of more than \$7.5 million to the unassigned surplus was the largest in the history of the Company.

The Directors are grateful to the field organization and office staffs for their fine contributions to the record of sound growth in 1966.



CHAIRMAN OF THE BOARD



PRESIDENT AND MANAGING DIRECTOR





## HIGHLIGHTS OF 1966

	1966	1965
New life insurance* . . . . .	\$ 994,592,919	\$1,027,641,610
Life insurance in force* . . . . .	8,696,737,731	8,043,786,224
Personal life insurance issued . . . . .	848,988,051	793,407,560
Annual health insurance premium in force . . . . .	28,271,466	25,252,612
Mortgage loans advanced . . . . .	131,516,101	120,834,216
Unassigned surplus and investment reserve fund . . . . .	100,502,530	90,918,661
Total assets . . . . .	1,295,085,832	1,205,725,511
Net interest rate . . . . .	5.93%	5.75%

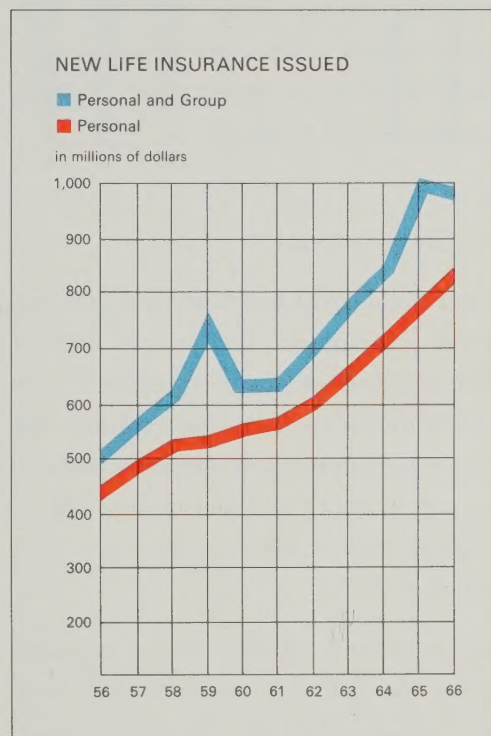
\*After deducting amount reinsured

## PERSONAL AND GROUP LIFE INSURANCE

The aggregate total of personal and group life insurance issued by the London Life in 1966 was \$994.5 million. Personal policies reached a new high mark at \$848 million. The previous record was set in 1965, and the 1966 issue figure for personal policies was up 7% over the previous year. There were 114,784 individual policies issued during the year. The proportion of personal term insurance issued in 1966 was practically unchanged from 1965 at 37.9%.

Group life insurance, on the other hand, was down to the extent of almost \$89 million. The decrease was expected since the 1965 issue was considerably higher than normal as a result of London Life's participation, with nine other companies, in the Ontario Civil Service group case. In 1966, the Company issued \$145.6 million of group life insurance.

A new plan called Group Life Insurance With Family Maintenance was introduced in the fall of 1966. The feature of the plan is a continuing income to an employee's beneficiary, after payment of the face amount of group life insurance. The obvious market for this cov-



erage will be in organizations where a majority of employees are married men.

The result of the year's operations was that the life insurance in force reached close to \$8.7 billion by December 31. In his address to the annual meeting, Mr. Robert H. Reid, President and Managing Director, pointed out that, "It



is reasonable to forecast that the total will reach \$10 billion within the next two years."

## GROUP ANNUITIES

In the pension field, there were 186 group annuity contracts issued to Canadian organi-



zations during 1966 for an increase of 42 plans over 1965. Eleven new group investment contracts were also issued and, although this number is small, it is higher than any other year and is significant since one case alone involved 800 people. Under the group investment contract, a portion of the pension contributions are usually invested in equity-type securities, as well as in securities with a fixed income rate.

While there was increased activity in investment contracts, most employers and employees continue to choose the annuity contract which guarantees the entire amount of the retirement income and eliminates any element of risk.

London Life was prepared for the loss of some pension contributions as companies integrated their private plans with the Canada and Quebec Pension Plans. However, the number of outright cancellations was surprisingly high and the loss of premiums was greater than expected. In the future, the Company does not anticipate that government plans will seriously affect the growth of the group annuity market, since it should become more and more evident that retirement income from these plans is not adequate for the majority of the

population. At the end of 1966, there were 1,413 contracts in force and the annual payments at retirement under these contracts amounted to \$46.5 million.

### HEALTH INSURANCE

In this area, as in group life insurance, the new annual premium for 1966 of just over \$2 million was down sharply from 1965. The 1965 figure was unusually high because of the exceptionally large case mentioned previously. The annual health premium in force did increase in 1966 to \$28.2 million from \$25.2 million in 1965.

Health insurance claims, including payments to London Life staff members under their plan, were more than \$22 million for the year, and this amount was disbursed through more than 1,100,000 cheques.

After two years of deficits on operations in the health field, the 1966 results showed a very small surplus. This was chiefly the result of increased premium rates on existing plans to offset the added frequency and cost of individual claims.

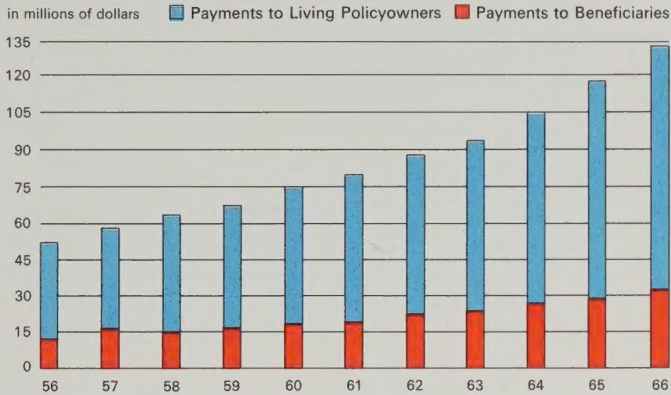
Long-term disability insurance is becoming increasingly popular. The Company issued four times as many cases with this coverage as in the previous year. In 1965, maximum income benefits were increased and, in 1966, there was a further liberalization when the coverage was extended to groups of fewer than 25 employees.

Because of the federal government's postponement of a universal medical care program, there is a great deal of uncertainty on the health insurance scene. No one, including companies that offer health insurance benefits, knows how extensive government coverage will be. The Canadian Health Insurance Association, of which London Life is a member, has questioned the necessity of a compulsory program. A survey published by the Canadian Conference on Health Care showed that, at the end of 1965, almost three-quarters of the population (14.4 million people) had protection against the cost of medical services. Further, the Canadian Health Insurance Association endorses the approach to medical services introduced in Alberta and Ontario where subsidies are provided to people in low-income brackets.



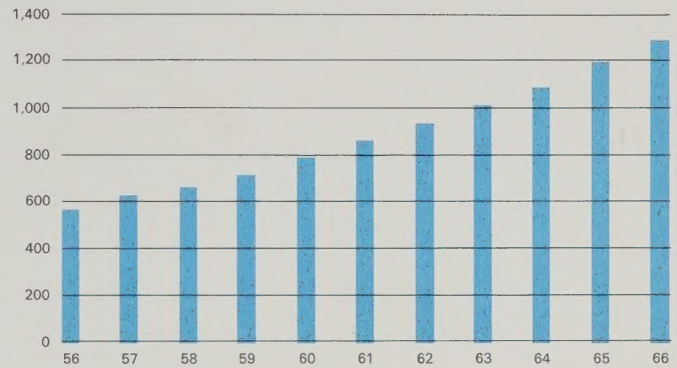
### AMOUNTS PAID TO POLICYOWNERS AND BENEFICIARIES

in millions of dollars



### GROWTH IN ASSETS

in millions of dollars



### DIVIDENDS TO POLICYOWNERS

For many years, London Life has had an impressive record of dividend payments to the owners of profit-sharing policies. Payments in 1966 were \$32 million and will exceed \$33 million in 1967.

Announcement was made in 1966 of another increase on the interest rate applied to accumulated dividends, bringing it to 5¼% for 1967.

In many circumstances, the Company's profit-sharing, or participating, policies have proven to be the most economical means of providing long-term protection, as well as an effective way of building savings for the future. Public acceptance of these plans was exemplified again in 1966 when over 12 times as many

participating policies were issued as non-participating policies, or 106,449 policies compared to 8,335.

### MORTALITY EXPERIENCE

The mortality rate on ordinary life insurance policies in 1966 was 80.1% of the anticipated rate and it was well below the average for the past 10 years. Group life mortality was moderately higher in 1966 than in 1965.

Year-to-year changes in the mortality rate are fractional because there has been no comprehensive progress in the prevention and cure of the leading causes of death—diseases of the heart and blood vessels, and cancer and related conditions. Medical research teams, however,

continue to probe for the answers to these complex illnesses. For several years, the life insurance industry has distributed significant sums of money to support various research projects.

Company statistics showed that there was virtually no change in the principal causes of death during 1966. Diseases of the heart and blood vessels represented the largest total, cancer was the next highest cause, followed by accidents and violence, diseases of the mental and nervous system and respiratory diseases. These accounted for over 90% of deaths.

### ASSETS

The Company is licensed by the Government of Canada. As such its entire operations come

under the supervision of the Federal Department of Insurance including regular comprehensive inspections. Aside from this the Company continues to adhere to its own long-established strict standards of accounting by valuing assets and by making full provision for all actual and estimated liabilities on a conservative basis.

The combined assets of the life and health insurance branches now amount to almost \$1.3 billion, an increase of over \$89 million.

The year just passed was another active one from the standpoint of investment in first mortgages which, in these two branches, now total more than \$925 million made up of National Housing Act and conventional loans.

Over 96% of these are secured by residential properties.

Mortgage collections were maintained at a very satisfactory level. Interest past due actually declined from the nominal figure of last year and is now only 1/20th of one percent of the total invested in mortgages and the amount overdue longer than two months is approximately 1/100th of one percent. No interest arrears are carried as an asset in the statement.

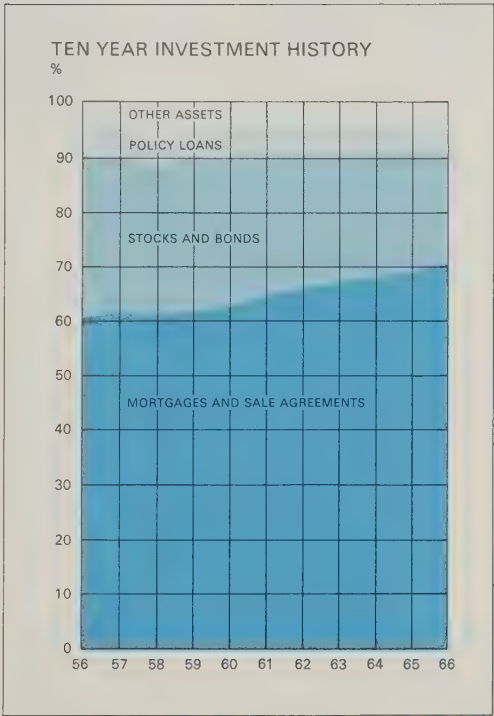
Bond and debenture holdings exceed \$255 million. For the most part these include issues of the federal, provincial and municipal governments as well as those of public utilities and other well-established corporations in Canada. There is no default of interest or principal on any of these securities.

Because of higher investment returns throughout the year new investments in the life branch were made at a gross yield of 6.73%. On total investments the gross rate amounted to 6.16% with a net rate, after deducting all investment expenses, of 5.93%. This was a further improvement over the 5.75% net reached in 1965 and was the highest rate earned since 1932. It was the 18th consecutive year of increase. In addition to the effect of the higher rates obtained on new investments, the net yield on total invested assets was favorably affected by a significant decline in investment expenses. This reduction was anticipated as a result of completion of the conversion of mortgage accounting to electronic data processing and the consequent further reduction in the clerical staff of the mortgage department.



**INVESTMENT RESERVES AND  
SURPLUS FUNDS**

The growth of the Company's business was again combined with a further strengthening of the overall financial condition of the London Life. The investment reserve fund was increased by \$2 million, bringing the total to \$23.5 million. The \$7.5 million addition to unassigned surplus brought the total of this fund to \$77 million. Although book values of securities exceeded authorized values by about \$1.6 million, entirely as a result of lower market prices, the Directors and Officers are of the opinion that the combined investment reserve and surplus funds of over \$100 million should be quite adequate to meet any financial or other contingencies. The total is by no means excessive when it is related to the



volume of insurance in force; the amount is in line with the London Life's obligations as custodian of policyowners' funds.

**COMPUTER EQUIPMENT AND SYSTEMS**

Additional electronic data processing equipment was installed in 1966, and the new units are fully compatible with the existing equipment and systems. The computer complex now has greater capacity, speed, and versatility.

The conversion of group insurance records and information to a computer system reached the initial testing stages during the year, and this system will be in operation in 1967.

There is considerable activity and study going on continuously towards developing systems for other areas of the business.

### ROBERT H. REID

*President and Managing Director*

“While the Company’s financial status in the early years after formation was precarious, the London Life has maintained an enviable position for the last 60 years. The Company received high marks for the soundness of its operation as far back as 1906 when a Royal Commission investigated life insurance companies throughout Canada.

“There was a severe strain on funds in 1918 as a result of war casualties and the drastic influenza epidemic, but the Company weathered this storm although the relatively small surplus was cut in half during that year.

“Only a major national catastrophe could seriously affect our financial position now.”

In a reference to the Company’s stock, Mr. Reid said, “Although the price of the stock has declined by 50% or more from its peak level, it still yields a very low return indeed. I reiterate my previous remarks that only those

people who have little interest in the rate of return for an extended period should consider a purchase. Some individuals who paid excessive prices have expressed their dissatisfaction, but the Company has no control, of course, over the price a person may pay. I believe that in many cases stock was purchased on the advice of people who know little about life insurance company operations.”

### CAPTAIN JOSEPH JEFFERY

*Chairman of the Board of Directors*

“For 92 years, the London Life has played an important part in the financial life of Canada. As the largest life insurance company operating exclusively in Canada, we are proud of the contributions we have made since 1874 in Canada’s first hundred years and join in the centennial celebrations during 1967. We are continually mindful of Canada’s heritage, her abundant natural resources, and the place she occupies in the free world. We are determined that the London Life will continue to be a good corporate citizen and we look forward to

the role we can play in the further development of our nation.”

Captain Jeffery commented on the failure of certain types of financial institutions over the past two years, then said, “I can reassure our policyowners of the investment procedures and financial strength of the London Life. All investments made by the Company are under almost daily careful scrutiny of the Executive Committee of the Board of Directors. After the end of each month, these transactions are reported in detail to the Board. Each year, during the latter part of December, a complete count of securities is made independently by our auditors. We follow a conservative investment policy and insist that safety of principal is our first objective with investment return second. I feel I must stress that the Directors and Management of the London Life are always conscious of the trust which they have assumed in administering considerably more than \$1 billion of assets belonging to our policyowners.”





## ADVERTISING

Most London Life advertisements are based on personal interviews with policyowners. Above, Russ Jackson, a vice-principal in the Ottawa school system and well-known professional football star, answers questions about his London Life policy.

In the advertisement at the right, Barry Stewart of Edmonton talks about the protection and investment aspects of his policy.

The Company endeavors, in each message, to give the reader as much information as possible about London Life plans and the exclusive features that only life insurance can offer.



Barry Stewart, Edmonton—

Barry Stewart, oil engineer, talks about doubling his money with London Life

## "I started out with London Life for protection and came up with a great investment"

In 1961, Barry Stewart was 19, married and going to university. His budget was tight. Below he explains how London Life helped him plan a program to protect his wife and eventually double his money:



"At the time, I was in engineering at Queen's. A sister and two brothers were a big night for us."  
"I talked to a London Life man about life insurance. He said that with a London Life program I could protect my wife and double my money. I laughed. 'On my budget?' I said, 'you don't think about doubling your money—just cheap protection.'"

"His recommended plan was a surprise. A low-cost \$10,000 convertible term policy as a temporary measure. Later, when I was earning money, I

could change to a profit-sharing plan—without a medical. I agreed."

After graduating in 1964, Barry joined a major oil company as an engineer in Edmonton. He and his wife, Doreen, now have two youngsters, Heather and Derek.

"In 1965, I changed my term insurance to a profit-sharing full-term policy. And we've made plans to review my program once a year."

"My monthly premium for the \$10,000 full-term policy is \$12.35. To age 55, I'll pay in about \$6,250. But the policy never divides every year. These will be left to grow with interest, so I can

get back over \$15,000 at age 65. More than double the money paid in. That's a terrific return."

(Note: The figure of \$15,000 is made up of \$5,660 in guaranteed cash value and the balance is accumulated dividends. Since the amount allocated to dividends is based on the Company's earnings, dividends cannot be guaranteed. However, for many years London Life's record of earnings has been outstanding, so the return on profit-sharing policies has been excellent.)

As you can see, London Life before insurance to the man. Flexibility. A young man with a family needs protection. Term insurance can be a good, temporary solution. As his income climbs, he can change to a profit-sharing policy.

Three children at 65  
Here are three of the choices Barry Stewart will have at age 65:

- He can carry on the protection and savings will keep growing.
- The \$15,000 can be withdrawn as a lump sum.
- The savings can be used to purchase an income for life or for a set number of years.

Three other features of London Life insurance should be mentioned:

- (1) A monthly income plan can be added to cover the years while your children are growing. If you should die, they would have extra protection.
- (2) You can arrange for an income if you should become disabled.
- (3) You can reserve the right to buy more London Life insurance at regular intervals up to age 40 without a medical examination.

To learn more about protecting your family and doubling your money, talk to a representative of the Company. He has been well-trained to tailor insurance to your needs. Or send for a free copy of the handbook, PLAIN TALK ABOUT LIFE INSURANCE. Write to: Department A, London Life Insurance Company, 255 Dufferin Avenue, London, Ontario.

Look into London Life — where your insurance is a safe and surprisingly good investment.

# BALANCE SHEET

## ASSETS

At December 31

	1966	1965
The Company has the following assets to meet its obligations to policyowners:		
BONDS AND DEBENTURES . . . . . None of these securities are in default.	\$ 255,687,704	\$ 260,928,470
STOCKS . . . . .	7,596,544	5,983,733
FIRST MORTGAGES AND SALE AGREEMENTS . . . . . The major proportion of these have helped provide new housing for Canadians.	925,492,054	838,250,083
INCOME-PRODUCING REAL ESTATE . . . . . Properties owned and leased on a long-term basis.	6,667,215	6,975,699
REAL ESTATE—HEAD OFFICE PREMISES . . . . . Properties are shown at cost less amortization.	17,133,005	16,020,714
—FORECLOSURES OF MORTGAGES . . . . .	13,261	101,849
LOANS ON POLICIES . . . . . These loans are fully secured by the cash value of the policies on which the respective loans are made.	58,806,300	54,123,216
CASH ON HAND AND IN BANKS . . . . .	910,124	3,234,818
SEGREGATED INVESTMENTS FOR GROUP PENSIONS . . . . .	3,452,413	1,794,676
ELECTRONIC DATA PROCESSING EQUIPMENT . . . . . This equipment is valued at cost less amortization.	2,006,854	1,306,337
PREMIUMS IN COURSE OF COLLECTION . . . . . Fully secured by policy reserves.	8,001,371	8,164,063
INTEREST AND DIVIDENDS ACCRUED . . . . . This sum represents accruals on investments. No credit is taken for interest overdue and unpaid.	8,529,707	7,767,763
MISCELLANEOUS ASSETS . . . . .	789,280	1,074,090
TOTAL ASSETS . . . . .	<u>\$1,295,085,832</u>	<u>\$1,205,725,511</u>

*The life and health insurance branches of*

## AUDITORS' REPORT TO THE POLICYOWNERS AND SHAREHOLDERS

We have examined the balance sheet of the London Life Insurance Company at December 31, 1966, and the summary of operations and the shareholders' account for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. The reserves and other liabilities under policy contracts were determined and certified by the Company's Chief Actuary.



## LIABILITIES

At December 31

The liabilities which the Company has assumed are:

	1966	1965
<b>POLICY RESERVES</b> . . . . .	\$ 888,025,075	\$ 835,634,972
This amount with future premiums and interest earnings provides for the payment of benefits promised on all policies in force.		
<b>OTHER OBLIGATIONS TO POLICYOWNERS</b> . . . . .	220,090,184	202,514,637
This amount is made up as follows:		
(a) \$132,320,871, dividends due and left by policyowners to accumulate.		
(b) \$29,104,538, the proceeds of policies left on deposit for policyowners and beneficiaries.		
(c) \$33,208,759, provision for all dividends to policyowners earned up to the policy anniversary in 1967.		
(d) \$16,849,810, for claims where proof is incomplete and for claims which may have occurred but which have not yet been reported.		
(e) \$8,606,206, advanced premiums paid by policyowners.		
<b>SEGREGATED FUNDS FOR GROUP PENSIONS</b> . . . . .	3,452,413	1,794,676
<b>STAFF PENSION AND INSURANCE FUNDS</b> . . . . .	57,658,884	53,428,016
This item represents the reserve maintained for benefits under group insurance and pension plans for Company employees.		
<b>TAXES, COMMISSIONS, AND OTHER ACCOUNTS DUE AND ACCRUED</b> . . . . .	4,027,868	3,530,204
This includes taxes of \$1,106,706 payable in 1967 which are based on 1966 premium income.		
<b>INVESTMENT RESERVE FUND</b> . . . . .	23,500,000	21,500,000
In addition to the unassigned surplus, the Company's ability to meet its obligations is safeguarded by an investment reserve fund of \$23,500,000.		
<b>MISCELLANEOUS LIABILITIES</b> . . . . .	18,867,775	15,488,726
	\$1,215,622,199	\$1,133,891,231
<b>CAPITAL AND SHAREHOLDERS' ACCOUNT</b> . . . . .	2,461,103	2,415,619
Included is \$1,000,000 of paid-up capital stock.		
<b>UNASSIGNED SURPLUS</b> . . . . .	77,002,530	69,418,661
This provides additional security for policyowners and their beneficiaries and includes \$7,583,869 added in 1966.		
<b>TOTAL LIABILITIES, CAPITAL AND SURPLUS</b> . . . . .	\$1,295,085,832	\$1,205,725,511

combined in these financial statements.

Bonds and stocks are shown in the balance sheet at values which are not in excess of amortized costs, but in the aggregate exceed the values permitted by the Canadian and British Insurance Companies Act by approximately \$1,600,000, provision for which is included in the investment reserve fund of \$23,500,000.

Based upon our examination and the certificate of the Chief Actuary, we report that in our opinion the accompanying balance sheet and the related summary of operations and the shareholders' account present fairly the financial position of the Company as at December 31, 1966 and of the results of its operations for the year ended on that date.

London, Canada, January 20, 1967.

CLARKSON, GORDON & CO., Chartered Accountants.

# SUMMARY OF OPERATIONS

For years ending December 31

## INCOME

	1966	1965
Premiums and annuity considerations . . . . .	\$179,385,324	\$175,352,382
Earnings from investments—net . . . . .	70,686,167	64,206,158
<i>Total</i> . . . . .	\$250,071,491	\$239,558,540

## DISTRIBUTION

### For policyowners and beneficiaries—

Death benefits . . . . .	\$ 27,290,057	\$ 25,979,233
Disability benefits . . . . .	599,379	606,131
Annuity benefits . . . . .	17,601,004	10,637,467
Health insurance benefits . . . . .	22,169,808	19,238,180
Matured endowments, cash surrender values and interest on policy or contract funds . . . . .	34,444,940	31,414,057
Addition to policy reserves to provide for future payments . . . . .	58,650,708	71,404,887

### For operating expenses—

New insurance and field service to policyowners . . . . .	24,486,487	23,833,262
Service to policyowners at head and branch offices . . . . .	18,273,277	16,299,308
Premium tax and other taxes . . . . .	3,426,385	3,136,713
<i>Total</i> . . . . .	206,942,045	202,549,238

GAIN FROM OPERATIONS . . . . .	\$ 43,129,446	\$ 37,009,302
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Dividends to policyowners . . . . .	\$ 32,080,093	\$ 29,622,393
Earnings to shareholders after income taxes . . . . .	465,484	459,562
Addition to investment reserve fund . . . . .	2,000,000	1,000,000
Special reserve for staff pensions . . . . .	1,000,000	—
<i>Total</i> . . . . .	35,545,577	31,081,955
INCREASE IN UNASSIGNED SURPLUS . . . . .	\$ 7,583,869	\$ 5,927,347

## ACTUARY'S CERTIFICATE

The total policy reserves shown in the balance sheet at December 31, 1966, are in excess of those required by the provisions of the Canadian and British Insurance Companies Act, and, in my opinion, make good and sufficient provision for all unmatured obligations of the Company guaranteed under the terms of its policies.

January 20, 1967

THOMAS E. GILL, F.S.A.  
Vice-President and Chief Actuary.



## SHAREHOLDERS' ACCOUNT—1966

### Income:

#### Shareholders' portion of:

*Profits . . . . .	\$ 798,985	
Earnings from investments . . . . .	146,934	
	<u>\$ 945,919</u>	
Less amount transferred to investment reserve fund . . . . .	4,407	
Shareholders' earnings before taxes . . . . .	<u>\$ 941,512</u>	
Provision for taxes on income . . . . .	474,528	\$ 466,984

### Less:

Miscellaneous grants for local social service and charity . . . . .	1,500	
Net earnings . . . . .	<u>\$ 465,484</u>	
Regular dividends paid to shareholders . . . . .	420,000	
Increase in shareholders' account . . . . .	<u>\$ 45,484</u>	
Shareholders' account at beginning of year . . . . .	1,415,619	
Shareholders' account at December 31, 1966 . . . . .	<u>\$1,461,103</u>	

\*The divisible profits from the participating branch of the Company's business were \$31,959,389 of which 97½% was allotted to the policyowners and 2½% to the shareholders. The allocation to shareholders in 1965 was 2⅝%.

### FIVE-YEAR REVIEW OF CAPITAL AND SHAREHOLDERS' ACCOUNT

	1966	1965	1964	1963	1962
Shareholders' earnings before taxes . . . . .	\$ 941,512	\$ 932,678	\$ 899,661	\$ 872,333	\$ 843,920
Provision for income taxes . . . . .	474,528	468,666	452,601	436,531	424,615
Grants . . . . .	1,500	4,450	1,900	2,500	1,300
Net earnings . . . . .	465,484	459,562	445,160	433,302	418,005
Net earnings per share . . . . .	\$ .93	\$ .92	\$ .89	\$ .87	\$ .84
Dividends paid per share . . . . .	.84	.80	.74	.74	.68
Capital stock paid up 500,000 shares . . . . .	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Shareholders' account at end of year . . . . .	1,461,103	1,415,619	1,356,057	1,280,897	1,217,595
Total capital and shareholders' account . . . . .	2,461,103	2,415,619	2,356,057	2,280,897	2,217,595
Number of shareholders at end of year . . . . .	631	523	448	440	421

The net earnings and dividends paid per share for the years 1962 through 1965 have been adjusted to reflect the five-for-one subdivision of shares during 1966.

## SALES AND SERVICE OFFICES AND ORGANIZATION

Barrie	G. R. HANCOCK—SUPERINTENDENT	Edmonton Ordinary	L. A. NICKOLS, C.L.U.—DISTRICT MANAGER
Belleville	J. N. ANTON—SUPERINTENDENT		W. J. BOWER—SECRETARY, EDMONTON BRANCHES
	S. C. WIGGINS, C.L.U.—DISTRICT SUPERVISOR	Edmonton South	J. M. STAPLETON—CITY MANAGER
Brampton	M. H. G. REEKIE, C.L.U.—CITY MANAGER	Fort William	E. W. GELLERT, C.L.U.—CITY MANAGER
Brandon		Galt	F. DUROCHER—SUPERINTENDENT
Brantford	G. W. ADAMS, C.L.U.—CITY MANAGER	Glace Bay	T. W. LESLIE—SUPERINTENDENT
	C. F. RUSS, C.L.U.—DISTRICT MANAGER		B. H. MEDJUCK—SUPERINTENDENT
Brockville	G. W. KENNEDY, C.L.U.—SUPERINTENDENT	Guelph	R. M. MCNAUGHTON, C.L.U.—SUPERINTENDENT
Burnaby	F. W. HUNTER, C.L.U.—CITY MANAGER	Halifax	G. O. WALKER, C.L.U.—DISTRICT MANAGER
	J. F. GLOVER—BRANCH SECRETARY		O. J. WATKINS, C.L.U.—CITY MANAGER
Calgary Elveden	H. M. ROCHE—DISTRICT MANAGER		H. R. GEALE—BRANCH SECRETARY
	R. W. ANDREW, C.L.U.—CLIENTS' ADVISORY EXECUTIVE	Hamilton East	F. M. WINDSOR—CITY MANAGER
	N. B. GRANT—SECRETARY, CALGARY BRANCHES		R. C. VAUGHAN—BRANCH SECRETARY
Calgary Industrial	E. G. RISHWORTH—CITY MANAGER	Hamilton Mountain	B. M. WILLIAMSON, C.L.U.—CITY MANAGER
	J. R. LOEWEN—BRANCH SECRETARY	Hamilton Ordinary	H. K. DRAKE, C.L.U.—DISTRICT MANAGER
Calgary Tower	A. H. TODD, C.L.U.—DISTRICT MANAGER		A. C. PARK, C.L.U.—CLIENTS' ADVISORY EXECUTIVE
Chatham	W. C. BOWEN—SUPERINTENDENT		J. H. SLATTER—SECRETARY, HAMILTON BRANCHES
Cornwall	R. T. ALLUM—CITY MANAGER	Hamilton West	E. J. JOHNSTON, C.L.U.—CITY MANAGER
Edmonton North	M. M. SLUSARCHUK—CITY MANAGER	Kingston	C. E. GRIESBACH—DISTRICT MANAGER
	M. H. JURRIUS—BRANCH SECRETARY		M. MCCRADY, C.L.U.—CITY MANAGER

Kirkland Lake	R. ROY, C.L.U.—CITY MANAGER
Kitchener	D. W. HARE, C.L.U.—DISTRICT MANAGER C. C. NICHOLLS, C.L.U.—CITY MANAGER
Lethbridge	R. E. G. PEPPER, C.L.U.—DISTRICT SUPERVISOR
London North	D. W. SLOANE—CITY MANAGER
London Ordinary	A. A. JOHNSTON, C.L.U.—DISTRICT MANAGER C. M. BROWN—CLIENTS' ADVISORY EXECUTIVE E. C. HEIGHWAY—SECRETARY, LONDON BRANCHES
London South	M. D. DONOGHUE—CITY MANAGER
Medicine Hat	
Middleton	J. D. GEDDES—DISTRICT SUPERVISOR
Moncton	S. HANSEN—DISTRICT SUPERVISOR J. S. McGRATH—SUPERINTENDENT
Montreal Carré Victoria	J. J. BELEC, C.L.U.—DISTRICT MANAGER J. G. DAIGNEAULT—CLIENTS' ADVISORY EXECUTIVE G. OUELLET—CLIENTS' ADVISORY EXECUTIVE
Montreal Centre	S. REISER—CITY MANAGER L. M. FITCHETT—BRANCH SECRETARY

Montreal East	R. TROTTIER—CITY MANAGER S. DUCHARME—BRANCH SECRETARY
Montreal La Salle	F. T. COUTURIER—CITY MANAGER
Montreal Laval	C. G. CHENIER—CITY MANAGER
Montreal McGill	I. RIDDELL, C.L.U.—DISTRICT MANAGER L. BELL, C.L.U.—CLIENTS' ADVISORY EXECUTIVE S. H. FLANDERS, C.L.U.—CLIENTS' ADVISORY EXECUTIVE R. L. LOW—SECRETARY, MONTREAL BRANCHES R. W. DEERY—BRANCH SECRETARY
Montreal North	H. RIVET—CITY MANAGER
Montreal Notre Dame	G. H. SLY, C.L.U.—DISTRICT MANAGER
Montreal Phillips Square	G. L. STARKEY, C.L.U.—DISTRICT MANAGER R. RAYMOND—BRANCH SECRETARY
Montreal Rosemont	G. GIRARD—CITY MANAGER
Montreal St. James	J. R. FLUMERFELT, C.L.U.—DISTRICT MANAGER
Montreal St. Laurent	M. A. STEPHEN—CITY MANAGER
Montreal South Shore	R. DANEALT—CITY MANAGER
Moose Jaw	



New Westminster	T. J. GRACE, C.L.U.—DISTRICT MANAGER
Niagara Falls	T. B. CONNELL—SUPERINTENDENT R. J. TAYLOR—SUPERINTENDENT
Noranda	R. DUSSAULT—SUPERINTENDENT
North Bay	
Oakville	C. J. MCCARTHY—SUPERINTENDENT
Orillia	H. R. REYNOLDS, C.L.U.—DISTRICT SUPERVISOR W. C. ROWE—SUPERINTENDENT
Oshawa	K. D. CRONE, C.L.U.—DISTRICT MANAGER W. H. GLEED, C.L.U.—CITY MANAGER
Ottawa Ordinary	M. L. KEANEY, C.L.U.—DISTRICT MANAGER H. J. LEARY—SECRETARY, OTTAWA BRANCHES
Ottawa Rideau	F. N. BLAIS—CITY MANAGER
Ottawa West	R. S. W. LANE, C.L.U.—CITY MANAGER B. McNICOLL—BRANCH SECRETARY
Owen Sound	
Peterborough	J. C. MACKEY, C.L.U.—CITY MANAGER I. V. FREDERICK, C.L.U.—DISTRICT SUPERVISOR
Regina	J. H. GIBSON, C.L.U.—CITY MANAGER O. J. KEEHR, C.L.U.—DISTRICT MANAGER

St. Catharines	A. E. BENNETT, C.L.U.—CITY MANAGER G. E. DANBY, C.L.U.—DISTRICT MANAGER D. A. MOIR—SECRETARY, ST. CATHARINES BRANCHES
Saint John	L. J. LAWSON—CITY MANAGER
St. Thomas	P. M. GRANT—SUPERINTENDENT
Sarnia	T. A. STAPLETON—CITY MANAGER
Saskatoon	C. R. BUDD, C.L.U.—CITY MANAGER M. L. LITTLE, C.L.U.—DISTRICT MANAGER
Sault Ste. Marie	G. C. BIRD—SUPERINTENDENT J. D. JACKSON, C.L.U.—SUPERINTENDENT
Sherbrooke	
Stratford	W. J. BELL—DISTRICT MANAGER E. M. BURKHOLDER—SUPERINTENDENT
Sudbury	D. A. MacDONALD, C.L.U.—CITY MANAGER R. J. WHITE, ASSOC. C.L.U.—SECRETARY, SUDBURY BRANCHES
Sydney	R. F. BAGNELL—CITY MANAGER

Timmins	L. LEBRUN—SUPERINTENDENT
Toronto Bay	J. L. ETHERINGTON, C.L.U.—DISTRICT MANAGER M. W. FARLEY—SECRETARY, TORONTO BRANCHES
Toronto Centre	D. J. SHUMAK, C.L.U.—CITY MANAGER T. W. RYAN—BRANCH SECRETARY
Toronto Danforth	G. G. FRASER, C.L.U.—CITY MANAGER R. J. BLACKIE—BRANCH SECRETARY
Toronto Eglinton	F. A. KENNEDY, C.L.U.—DISTRICT MANAGER
Toronto Junction	M. V. STANTON, C.L.U.—CITY MANAGER C. P. EDWARDS—BRANCH SECRETARY
Toronto King	K. M. MORDEN, C.L.U.—DISTRICT MANAGER J. E. McCONNELL, C.L.U.—ASSOCIATE MANAGER H. J. CROFTS, C.L.U.—CLIENTS' ADVISORY EXECUTIVE D. A. DONALDSON, C.L.U.—CLIENTS' ADVISORY EXECUTIVE A. J. ELDER, C.L.U.—CLIENTS' ADVISORY EXECUTIVE
Toronto Kingsway	F. F. WEBB—CITY MANAGER C. D. CROCKER—BRANCH SECRETARY
Toronto North	W. R. FERGUSON, C.L.U.—CITY MANAGER W. D. JACKSON—BRANCH SECRETARY

Toronto St. Clair	S. MARSH, C.L.U.—CITY MANAGER N. R. PERSCHY—BRANCH SECRETARY
Toronto Scarborough	R. H. FREEMAN, C.L.U.—CITY MANAGER A. H. MCGIBBON—BRANCH SECRETARY
Toronto University	G. ROSS—DISTRICT MANAGER W. A. GREENE, C.L.U.—CLIENTS' ADVISORY EXECUTIVE
Toronto West	R. G. SIMMONS, C.L.U.—DISTRICT MANAGER
Val d'Or	R. BOULIANNE—SUPERINTENDENT
Vancouver Broadway	C. B. LINDSAY, C.L.U.—CITY MANAGER J. E. FLETCHER—BRANCH SECRETARY
Vancouver Georgia	R. M. HAUGHIAN, C.L.U.—DISTRICT MANAGER
North Vancouver	T. N. THORNLEY—SUPERINTENDENT
Vancouver Royal	C. J. FAULKES, C.L.U.—DISTRICT MANAGER M. L. TOMPKINS—CLIENTS' ADVISORY EXECUTIVE F. N. HENDERSON—SECRETARY, VANCOUVER BRANCHES
Victoria	S. J. KAYLL, C.L.U.—DISTRICT MANAGER D. F. TUTTLE, C.L.U.—CITY MANAGER
Welland	H. A. GARDINER, C.L.U.—SUPERINTENDENT
Windsor	H. C. CICERI, C.L.U.—CITY MANAGER W. J. HOLLAND, C.L.U.—DISTRICT MANAGER R. A. YOUNG—BRANCH SECRETARY

Winnipeg Lindsay E. H. LAW, C.L.U.—DISTRICT MANAGER  
A. M. HARDIE—SECRETARY, WINNIPEG BRANCHES

Winnipeg Main G. C. DOLLAR, C.L.U.—CITY MANAGER

Winnipeg Portage L. C. COHEN—DISTRICT MANAGER

Winnipeg Royal S. S. JACOBSON, C.L.U.—CITY MANAGER  
K. B. GRIEDER—BRANCH SECRETARY

Winnipeg South R. M. HOWE—CITY MANAGER  
R. E. GALLAGHER—BRANCH SECRETARY

Woodstock G. B. BAGLEY, C.L.U.—CITY MANAGER

#### GROUP INSURANCE OFFICES

Calgary R. B. W. PYKE—DISTRICT MANAGER  
A. B. HAMM, C.L.U.—DISTRICT SUPERVISOR  
D. H. SILVERBERG—DISTRICT SUPERVISOR

Edmonton F. J. JOHNSON—DISTRICT SUPERVISOR

Halifax R. M. SWETNAM—DISTRICT SUPERVISOR

Hamilton J. W. LITTLE—DISTRICT MANAGER  
W. A. GRAY—DISTRICT SUPERVISOR  
L. J. A. HUDON—DISTRICT SUPERVISOR

Kingston G. A. FRASER—DISTRICT SUPERVISOR

Kirkland Lake O. J. CARBONNEAU, C.L.U.—DISTRICT SUPERVISOR

Kitchener G. M. DONALDSON, C.L.U.—DISTRICT SUPERVISOR

London C. R. SOMERVILLE, C.L.U.—DISTRICT MANAGER  
T. A. NIXON, C.L.U.—DISTRICT SUPERVISOR  
W. G. SPROULE, C.L.U.—DISTRICT SUPERVISOR

Montreal J. G. AWDE—DISTRICT MANAGER  
G. C. BLAKE—DISTRICT SUPERVISOR  
B. K. BOUSKILL, C.L.U.—DISTRICT SUPERVISOR  
M. KIMMEL—DISTRICT SUPERVISOR  
K. W. MACINTYRE—DISTRICT SUPERVISOR  
D. J. THIBAUDEAU—DISTRICT SUPERVISOR



Ottawa	J. S. LANGFORD, C.L.U.—DISTRICT MANAGER
Regina	D. G. MACARTHUR, C.L.U.—DISTRICT SUPERVISOR
St. Catharines	D. R. ALLISON—DISTRICT SUPERVISOR
Sault Ste. Marie	W. D. JACKSON—DISTRICT SUPERVISOR
Sudbury	D. E. CREIGHTON, C.L.U.—DISTRICT MANAGER
Toronto	T. G. LUTTON, C.L.U.—DISTRICT MANAGER R. P. BOSWORTH, C.L.U.—DISTRICT SUPERVISOR D. N. DOBSON—DISTRICT SUPERVISOR J. R. GOODWIN, C.L.U.—DISTRICT SUPERVISOR D. E. ROBERTS—DISTRICT SUPERVISOR A. A. TELFER, C.L.U.—DISTRICT SUPERVISOR F. M. TOMPKINS, C.L.U.—DISTRICT SUPERVISOR
Vancouver	F. D. HAGUE—DISTRICT MANAGER M. A. PARTRIDGE, C.L.U.—DISTRICT SUPERVISOR
Windsor	J. M. PATERSON—DISTRICT SUPERVISOR
Winnipeg	K. L. MACEACHERN—DISTRICT MANAGER R. B. CAVAYE, C.L.U.—DISTRICT SUPERVISOR

## MORTGAGE OFFICES

Chatham	J. F. SHEPARD—DISTRICT MORTGAGE MANAGER
Calgary	R. D. ABERCROMBY—DISTRICT MORTGAGE MANAGER
Edmonton	H. M. GRANT—DISTRICT MORTGAGE MANAGER
Halifax	J. M. SOUTHCOTT—DISTRICT MORTGAGE MANAGER
Hamilton	J. W. GUNN—DISTRICT MORTGAGE MANAGER
Kingston	J. C. DEVONSHIRE—DISTRICT MORTGAGE MANAGER
Kitchener	J. D. CARTER—DISTRICT MORTGAGE MANAGER
London	J. R. MAY—DISTRICT MORTGAGE MANAGER
Montreal	D. A. PEARCE—DISTRICT MORTGAGE MANAGER
Ottawa	I. A. SWITZER—DISTRICT MORTGAGE MANAGER
Peterborough	W. N. PARNABY—DISTRICT MORTGAGE MANAGER
St. Catharines	H. THOMPSON—DISTRICT MORTGAGE MANAGER
Sudbury	D. PARTINGTON—DISTRICT MORTGAGE MANAGER
Toronto	A. G. GRAHAM—DISTRICT MORTGAGE MANAGER
Vancouver	G. R. GLOVER—DISTRICT MORTGAGE MANAGER
Victoria	R. E. WILSON—DISTRICT MORTGAGE MANAGER
Winnipeg	J. T. LEITHEAD—DISTRICT MORTGAGE MANAGER

## MANAGEMENT COMMITTEE

ROBERT H. REID—PRESIDENT AND  
MANAGING DIRECTOR

A. W. ANDERSON—VICE-PRESIDENT AND  
EXECUTIVE SECRETARY

T. E. GILL—VICE-PRESIDENT AND CHIEF ACTUARY

H. I. WEIR—VICE-PRESIDENT AND  
DIRECTOR OF AGENCIES

## ADMINISTRATIVE OFFICERS

Actuarial R. E. MUNRO—ACTUARY

C. A. NAYLOR—ACTUARY

M. C. PRYCE—ACTUARY

Agency R. W. PETERS—SUPERINTENDENT OF AGENCIES

T. E. REID—SUPERINTENDENT OF AGENCIES

D. K. SHALES—SUPERINTENDENT OF AGENCIES

G. S. WOOLSEY—SUPERINTENDENT OF AGENCIES

C. F. BYRON—ASSOCIATE SUPERINTENDENT  
OF AGENCIES

Branch Administration W. C. HENDERSON—BRANCH  
ADMINISTRATION EXECUTIVE

Claims E. W. KENNEDY—CLAIMS EXECUTIVE

Group A. M. BAYLY—GROUP ACTUARY

Medical J. S. WINDER, M.D.—MEDICAL DIRECTOR

D. R. SMITH, M.D.—ASSOCIATE MEDICAL DIRECTOR

J. B. WALKER, M.D.—ASSOCIATE MEDICAL DIRECTOR

Mortgage J. A. MILLMAN—MORTGAGE EXECUTIVE

Personnel and Planning O. EADIE—PERSONNEL EXECUTIVE

Publicity J. A. KEMP—PUBLICITY EXECUTIVE

Secretary's Office W. L. POLLARD—SECRETARY

Securities W. F. PARSONS—SECURITIES EXECUTIVE

Staff Health F. S. KENNEDY, M.D.—STAFF HEALTH PHYSICIAN

Underwriting W. M. BELL—UNDERWRITING EXECUTIVE

M. E. COMFORT—ASSOCIATE UNDERWRITING  
EXECUTIVE

## DEPARTMENTAL ORGANIZATION

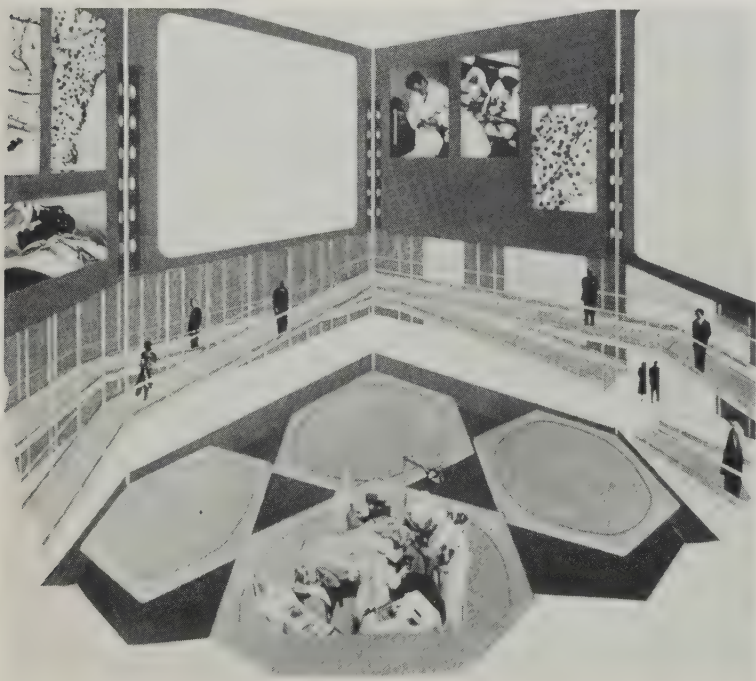
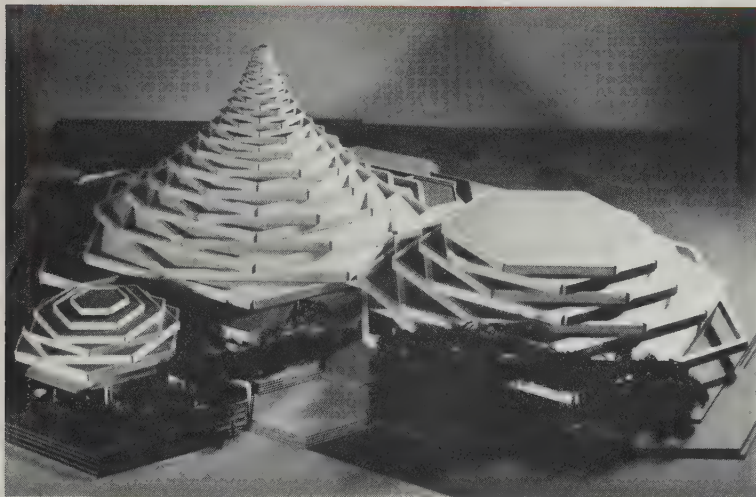
Accounting	G. L. SMITH—ACCOUNTANT J. M. SCHRODER—ASSISTANT MANAGER
Actuarial	G. G. CAMERON—ASSOCIATE ACTUARY L. B. FEWSTER—ASSOCIATE ACTUARY J. C. MCKIBBON—ASSOCIATE ACTUARY J. A. MEREU—ASSOCIATE ACTUARY D. S. RUDD—ASSOCIATE ACTUARY L. B. SHERWIN—ASSOCIATE ACTUARY I. R. TAYLOR—ASSOCIATE ACTUARY R. G. MEPHAM—ASSISTANT ACTUARY A. M. SWEETON—ASSISTANT ACTUARY J. J. L. WOLF—ASSISTANT ACTUARY
Agency	J. N. ALEXANDER—ASSISTANT SUPERINTENDENT OF AGENCIES J. A. FOWLER—ASSISTANT SUPERINTENDENT OF AGENCIES D. A. SMITH—ASSISTANT SUPERINTENDENT OF AGENCIES D. E. ADAMS—MANAGER K. A. HART—ASSISTANT MANAGER T. ORR—CONSERVATION SUPERVISOR (Industrial) G. J. ROBINSON—MANAGER, SALES TRAINING E. PETERS—AGENCY SUPERVISOR R. M. SMITH—AGENCY SUPERVISOR (Ordinary) R. MITCHELL—ASSISTANT MANAGER, SALES TRAINING

Agents' Accounts	S. R. GEE—MANAGER H. R. HIND—ASSISTANT MANAGER
Branch Administration	L. H. McCONNELL—ASSISTANT BRANCH ADMINISTRATION EXECUTIVE J. McKEE—ASSISTANT MANAGER
Building Supervision	S. V. PONTON—BUILDING SUPERINTENDENT A. M. ADAM—ASSISTANT BUILDING SUPERINTENDENT
Cashier	H. G. CHAPMAN—CASHIER
Claims	E. E. HART—ASSISTANT CLAIMS EXECUTIVE G. W. MORROW—SUPERINTENDENT, CLAIMS SERVICES
Health Insurance Claims	L. H. WILSON—MANAGER A. H. PRENTICE—ASSISTANT MANAGER
Life Claims	R. H. HAMILL—MANAGER
Electronic Data Processing	J. K. DICKSON—MANAGER R. E. HENRY—ASSISTANT MANAGER E. C. NUGENT—ASSISTANT MANAGER
Electronic Installations	R. N. SMITH—MANAGER J. T. QUICK—ASSISTANT MANAGER J. W. AREND—SYSTEMS ANALYSIS COORDINATOR
Group	C. M. S. DUFFIN—MANAGER S. P. GEDDES—ASSISTANT MANAGER W. J. PERKINS—ASSISTANT GROUP ACTUARY
Insurance Services	R. J. LOCKREY—SUPERINTENDENT R. G. KIRKPATRICK—ASSOCIATE SUPERINTENDENT E. S. SPEIRAN—POLICY CHANGE AND SURRENDER CONSULTANT



Internal Audit	H. E. ROPER—INTERNAL AUDITOR E. R. NIGHTINGALE—ASSISTANT INTERNAL AUDITOR
Mortgage	G. G. HUTCHISON—MORTGAGE SUPERINTENDENT K. W. SHIELDS—MORTGAGE SUPERINTENDENT W. E. STANDING—MORTGAGE SUPERINTENDENT B. E. THORNLEY—MORTGAGE SUPERINTENDENT
Mortgage Administration	B. W. BEATTIE—MANAGER R. J. FERGUSON—ASSISTANT MANAGER
New Mortgages	D. E. WATKIN—MANAGER W. F. HILL—ASSISTANT MANAGER
Personnel and Planning	H. M. BALLANTYNE—ASSISTANT PERSONNEL EXECUTIVE W. A. MCCOY—ASSISTANT MANAGER J. W. BULLOCK—ASSISTANT MANAGER, ADMINISTRATIVE SERVICES
Policy Change	C. G. WRIGHT—MANAGER R. L. COULSON—ASSISTANT MANAGER
Policy Issue	C. S. MCLEAN—MANAGER E. P. RYAN—ASSISTANT MANAGER
Policy Record	G. A. MACLACHLAN—MANAGER W. B. BRANDIE—ASSISTANT MANAGER

Policy Service	W. K. V. SMITH—MANAGER C. A. HUMPHRIES—ASSISTANT MANAGER
Printing	A. V. HOLLAND—MANAGER G. H. SNOW—ASSISTANT MANAGER
Publications	J. B. CHICK—MANAGER I. V. GRANT—ASSISTANT MANAGER M. COLSON—COORDINATOR, FRENCH RELATIONS P. W. DUNN—EDITOR, STAFF PUBLICATIONS D. F. VINCENT—EDITOR, PUBLICATIONS SERVICES
Purchasing	W. H. McLAREN—PURCHASING AGENT W. H. WALSH—ASSISTANT MANAGER
Secretary's Office	R. H. CURTIS—ASSISTANT SECRETARY J. C. A. MACDONALD—COMPTROLLER
Securities	G. L. CORNEIL—ASSISTANT SECURITIES EXECUTIVE G. A. GLOIN—MANAGER
Statistical	B. R. KUTT—MANAGER
Underwriting	R. D. MENNILL—ASSISTANT UNDERWRITING EXECUTIVE C. E. BUSKARD—MANAGER G. W. JEFFERY—ASSISTANT MANAGER



## MAN AND HIS WORLD

Man and His World is the theme of EXPO 67, and Canada's World Exhibition brings the world to Montreal from April 28 to October 27.

EXPO will provide an insight into the cultures and achievements of people from the four corners of the earth.

Among the most remarkable achievements of man is the progress being made in medical science. EXPO visitors will have an opportunity to observe what is happening in this field at the Man and His Health pavilion.

In the centre of the pavilion is Meditheatre where live actors, films and actual clinics will demonstrate the results of advanced medical science at work. Meditheatre is presented by the Life Insurance Companies of Canada, and London Life is proud to be one of the participants in this EXPO project.

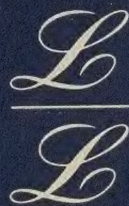
If you plan to attend EXPO, be sure to visit the Man and His Health pavilion; it will be an enlightening and entertaining experience.







AR23



LONDON LIFE INSURANCE COMPANY  
ANNUAL REPORT 1966



# SUMMARY OF OPERATIONS

## INCOME

For years ending December 31

	1966	1965
Premiums and annuity considerations -	\$179,385,324	\$175,352,382
Earnings from investments — net - -	70,686,167	64,206,158
<i>Total</i> - - - - -	\$250,071,491	\$239,558,540

## DISTRIBUTION

For policyowners and beneficiaries —

Death benefits - - - - -	\$27,290,057	\$25,979,233
Disability benefits - - - - -	599,379	606,131
Annuity benefits - - - - -	17,601,004	10,637,467
Health insurance benefits - - - -	22,169,808	19,238,180
Matured endowments, cash surrender values and interest on policy or contract funds - - - - -	34,444,940	31,414,057
Addition to policy reserves to provide for future payments - - - - -	58,650,708	71,404,887

For operating expenses —

New insurance and field service to policyowners - - - - -	24,486,487	23,833,262
Service to policyowners at head and branch offices - - - - -	18,273,277	16,299,308
Premium tax and other taxes - - -	3,426,385	3,136,713

<i>Total</i> - - - - -	206,942,045	202,549,238
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GAIN FROM OPERATIONS - - - - -	\$ 43,129,446	\$ 37,009,302
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Dividends to policyowners - - - - -	\$32,080,093	\$ 29,622,393
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Earnings to shareholders after income taxes - - - - -	465,484	459,562
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Addition to investment reserve fund - -	2,000,000	1,000,000
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Special reserve for staff pensions - - -	1,000,000	—
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<i>Total</i> - - - - -	35,545,577	31,081,955
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INCREASE IN UNASSIGNED SURPLUS - - -	\$ 7,583,869	\$ 5,927,347
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### Actuary's Certificate

The total policy reserves shown in the balance sheet at December 31, 1966, are in excess of those required by the provisions of the Canadian and British Insurance Companies Act, and, in my opinion, make good and sufficient provision for all unmatured obligations of the Company guaranteed under the terms of its policies.

THOMAS E. GILL, F.S.A.

Vice-President and Chief Actuary.

January 20, 1967



# BALANCE SHEET

## ASSETS

	At December 31	
	1966	1965
The company has the following assets to meet its obligations to policyowners:		
<i>Bonds and debentures</i> - - - - - \$	255,687,704	\$ 260,928,470
None of these securities are in default.		
<i>Stocks</i> - - - - -	7,596,544	5,983,733
<i>First mortgages and sale agreements</i> - - - - -	925,492,054	838,250,083
The major proportion of these have helped provide new housing for Canadians.		
<i>Income-producing real estate</i> - - - - -	6,667,215	6,975,699
Properties owned and leased on a long-term basis.		
<i>Real estate — head office premises</i> - - - - -	17,133,005	16,020,714
Properties are shown at cost less amortization.		
— <i>foreclosures of mortgages</i> - - - - -	13,261	101,849
<i>Loans on policies</i> - - - - -	58,806,300	54,123,216
These loans are fully secured by the cash value of the policies on which the respective loans are made.		
<i>Cash on hand and in banks</i> - - - - -	910,124	3,234,818
<i>Segregated investments for group pensions</i> - - - - -	3,452,413	1,794,676
<i>Electronic data processing equipment</i> - - - - -	2,006,854	1,306,337
This equipment is valued at cost less amortization.		
<i>Premiums in course of collection</i> - - - - -	8,001,371	8,164,063
Fully secured by policy reserves.		
<i>Interest and dividends accrued</i> - - - - -	8,529,707	7,767,763
This sum represents accruals on investments. No credit is taken for interest overdue and unpaid.		
<i>Miscellaneous assets</i> - - - - -	789,280	1,074,090
<b>TOTAL ASSETS</b> - - - - -	\$ 1,295,085,832	\$ 1,205,725,511

The life and health insurance branches are combined in these financial statements.

## LIABILITIES

	At December 31	
	1966	1965
The liabilities which the company has assumed are:		
<i>Policy reserves</i> - - - - - \$	888,025,075	\$ 835,634,972
This amount with future premiums and interest earnings provides for the payment of benefits promised on all policies in force.		
<i>Other obligations to policyowners</i> - - - - -	220,090,184	202,514,637
This amount is made up as follows:		
(a) \$132,320,871, dividends due and left by policyowners to accumulate.		
(b) \$29,104,538, the proceeds of policies left on deposit for policyowners and beneficiaries.		
(c) \$33,208,759, provision for all dividends to policyowners earned up to the policy anniversary in 1967.		
(d) \$16,849,810, for claims where proof is incomplete and for claims which may have occurred but which have not yet been reported.		
(e) \$8,606,206, advance premiums paid by policyowners.		
<i>Segregated funds for group pensions</i> - - - - -	3,452,413	1,794,676
<i>Staff pension and insurance funds</i> - - - - -	57,658,884	53,428,016
This item represents the reserve maintained for benefits under group insurance and pension plans for Company employees.		
<i>Taxes, commissions, and other accounts due and accrued</i> - - -	4,027,868	3,530,204
This includes taxes of \$1,106,706 payable in 1967 which are based on 1966 premium income.		
<i>Investment reserve fund</i> - - - - -	23,500,000	21,500,000
In addition to the unassigned surplus, the Company's ability to meet its obligations is safeguarded by an investment reserve fund of \$23,500,000.		
<i>Miscellaneous liabilities</i> - - - - -	18,867,775	15,488,726
	\$ 1,215,622,199	\$ 1,133,891,231
<i>Capital and shareholders' account</i> - - - - -	2,461,103	2,415,619
Included is \$1,000,000 of paid-up capital stock.		
<i>Unassigned surplus</i> - - - - -	77,002,530	69,418,661
This provides additional security for policyowners and their beneficiaries and includes \$7,583,869 added in 1966.		
<b>TOTAL LIABILITIES, CAPITAL AND SURPLUS</b> - - - - -	\$ 1,295,085,832	\$ 1,205,725,511

## Auditors' Report to the Policyowners and Shareholders

We have examined the balance sheet of the London Life Insurance Company at December 31, 1966, and the summary of operations and the shareholders' account for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. The reserves and other liabilities under policy contracts were determined and certified by the Company's Chief Actuary.

Bonds and stocks are shown in the balance sheet at values which are not in excess of amortized costs, but in the aggregate exceed the values permitted by the Canadian and British Insurance Companies Act by approximately \$1,600,000, provision for which is included in the investment reserve fund of \$23,500,000.

Based upon our examination and the certificate of the Chief Actuary, we report that in our opinion the accompanying balance sheet and the related summary of operations and the shareholders' account present fairly the financial position of the Company as at December 31, 1966 and of the results of its operations for the year ended on that date.

London, Canada, January 20, 1967.

CLARKSON, GORDON & CO., Chartered Accountants,



## DIRECTORS' REPORT

January 20, 1967

The Directors have pleasure in presenting their ninety-second annual report for the year ended December 31, 1966.

New life insurance totals of \$994,592,919 did not quite attain the record established in 1965 which included one very large group life case of which the Company's share was over \$103,000,000. The level reached was, nevertheless, very gratifying. Placement of individual policies showed a satisfactory increase of 7% over the previous peak recorded last year.

	1966		1965	
New life insurance (net)	No.	Amount	No.	Amount
Ordinary — regular .....	52,681	\$ 581,849,398	51,389	\$ 537,045,829
— debit .....	62,103	267,138,653	63,453	256,361,731
Group .....	458	145,604,868	489	234,234,050
<b>TOTAL .....</b>	<b>115,242</b>	<b>\$ 994,592,919</b>	<b>115,331</b>	<b>\$ 1,027,641,610</b>
Life insurance in force (net)				
Ordinary — regular .....	731,052	\$ 4,945,432,477	688,425	\$ 4,521,290,065
— debit .....	677,535	1,896,447,830	681,753	1,816,860,075
Group .....	3,925	1,812,330,749	3,868	1,661,037,598
Industrial .....	82,382	42,526,675	88,231	44,598,486
<b>TOTAL .....</b>	<b>1,494,894</b>	<b>\$ 8,696,737,731</b>	<b>1,462,277</b>	<b>\$ 8,043,786,224</b>
Increase in insurance in force (net) ....	32,617	\$ 652,951,507	36,494	\$ 714,814,052

Total assets at the end of 1966 amounted to \$1,295,085,832, an increase of 7.4%. The net interest rate earned on the life branch invested assets rose for the eighteenth consecutive year, increasing to 5.93% from 5.75% in 1965.

The financial statement shows the continuing strong position of the Company. The investment reserve fund has been increased by \$2,000,000 and now stands at \$23,500,000; other reserve funds have been further strengthened. The addition of \$7,583,869 to the unassigned surplus is the largest in Company history and is in accord with the Company's obligations as custodian of policyowner funds.

It is a satisfaction to announce that the health insurance branch reports a modest profit following two years of losses. New annual premiums written in 1966 amounted to \$2,028,232, substantially below the record established in 1965 which included one large group with annual premiums of over \$1,616,000. The reduction in annual premiums written also reflects the results of the introduction of underwriting restrictions on medical plans. The annual premium in force now totals \$28,271,466, a gain of over \$3,000,000. Contin-gency reserves and unassigned surplus were further strengthened.

The mortality rate in the ordinary branch at 80.1% compares quite favorably with 86.1% experienced in the previous year. Group life mortality was moderately higher in 1966 than in 1965. The rate of claims in the health insurance branch was 79.9% in 1966 — a satisfactory improvement over the 84.9% rate in 1965.

Expense rates on individual policies showed a downward trend in 1966; under group policies somewhat higher expenses were experienced due in part to the cost of conversion to electronics.

The accompanying financial statement together with the Company's reputation over many years for sound management will assure London Life policyowners that their company is in a strong financial condi-tion — solidly based — with adequate reserves and surplus funds to guarantee their policies until maturity.

The record of sound growth during the past year reflects admirably that our field organization and office staffs have done their work exceedingly well. The Directors wish to acknowledge their many fine contributions with sincere thanks and appreciation.

JOSEPH JEFFERY  
Chairman of the Board

ROBERT H. REID  
President and  
Managing Director

## SHAREHOLDERS' ACCOUNT — 1966

Income:		
Shareholders' portion of:		
*Profits .....	\$ 798,985	
Earnings from investments .....	146,934	
	\$ 945,919	
Less amount transferred to investment reserve fund .....	4,407	
	\$ 941,512	
Shareholders' earnings before taxes .....	474,528	\$ 466,984
Provision for taxes on income .....		
Less:		
Miscellaneous grants for local social service and charity .....		1,500
		\$ 465,484
Net earnings .....		420,000
Regular dividends paid to shareholders .....		
		\$ 45,484
Increase in shareholders' account .....		1,415,619
Shareholders' account at beginning of year .....		\$ 1,461,103
Shareholders' account at December 31, 1966 .....		

\*The divisible profits from the participating branch of the Company's business were \$31,959,389 of which 97½% was allotted to the policyowners and 2½% to the shareholders. The allocation to shareholders in 1965 was 2½%.

## FIVE-YEAR REVIEW OF CAPITAL AND SHAREHOLDERS' ACCOUNT

	1966	1965	1964	1963	1962
Shareholders' earnings before taxes	\$ 941,512	\$ 932,678	\$ 899,661	\$ 872,333	\$ 843,920
Provision for income taxes	474,528	468,666	452,601	436,531	424,615
Grants	1,500	4,450	1,900	2,500	1,300
Net earnings	465,484	459,562	445,160	433,302	418,005
Net earnings per share	\$ .93	\$ .92	\$ .89	\$ .87	\$ .84
Dividends paid per share	.84	.80	.74	.74	.68
Capital stock paid up 500,000 shares	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Shareholders' account at end of year	1,461,103	1,415,619	1,356,057	1,280,897	1,217,595
Total capital and shareholders' account	2,461,103	2,415,619	2,356,057	2,280,897	2,217,595
Number of shareholders at end of year	631	523	448	440	421

The net earnings and dividends paid per share for the years 1962 through 1965 have been adjusted to reflect the five-for-one subdivision of shares during 1966.